



May 24, 2005

Senator Gordon Smith  
404 Russell Senate Office Building  
Washington, DC 20510

Dear Senator Smith:

On behalf of Nike, and our 6,100 Oregon based employees, I am writing to urge your support for the US-Dominican Republic/Central American Free Trade Agreement (DR-CAFTA) when it comes before Congress for a vote this year. This legislation, more than any other trade legislation considered by Congress in the last 5 years, is important to Nike's global apparel business and Oregon's vital international trade community. Your support of the agreement is critical to final passage.

For Nike, this agreement is really about the future. While Nike is currently sourcing apparel from within several of the DR/CAFTA countries, creating a free-trade agreement between these Caribbean/Central American countries and the United States allows Nike the ability to do more sourcing, as well as build stronger markets for Nike products within these countries. Approval and implementation of this agreement provides Nike greater sourcing flexibility and helps us continue to diversify our apparel sourcing business equally around the world – something that is so important now that the Multi Fiber Arrangement (MFA) has expired and new quotas, through safeguard measures, are being imposed against China by the United States and Europe. More specifically, creating trade incentives for apparel companies to diversify their sourcing base to other regions outside Asia will help ensure the apparel manufacturing business remains global. Also, the way the agreement is drafted regarding rules of origin and component sourcing will also be a significant boon for U.S. and Caribbean/Central American based textile and apparel manufacturers.

We understand this is a difficult decision and that the agreement is not as strong as some believe it could be. But consider the facts. With the exception of apparel and footwear, the United States has unilaterally provided these countries open access to the U.S. market for the past 20 years. This agreement, over time, eliminates the remaining U.S. tariffs on apparel and footwear and provides

the U.S. reciprocity into these six markets by opening these markets fully for U.S. exports – including Oregon exports of agricultural and industrial products and services. Also, objections that the agreement does not adequately protect environmental and labor standards are generally unwarranted, as all six countries have adopted laws consistent with core labor standards as established through the International Labor Organization (ILO) and other key environmental agreements. Of course, much more progress needs to be made, particularly in the area of effective application and enforcement of these laws, but we are convinced that economic development and an enhanced level of capacity building will further the process of reform in these countries significantly.

In conclusion, we hope you understand that this is an important agreement for Nike, for Oregon, the United States and the Western Hemisphere. We strongly encourage your support and as always, appreciate your consideration of our views on this critically important agreement.

Sincerely,

Brad Figel

Global Director of Government  
Relations and Public Affairs